

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490
• (909) 387-5866 • FAX (909) 387-5871
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: May 9, 2003
FROM: KATHLEEN ROLLINGS-McDONALD, Acting Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO #2936—City of Upland Annexation
No. 57

INITIATED BY:

Property Owner Petition

RECOMMENDATION:

1. Certify that the Commission has reviewed and considered the City's environmental assessment for this proposal, take the actions identified in the staff report, and direct the Clerk to file the Notice of Determination within five days;
2. Approve LAFCO #2936; and,
3. Adopt LAFCO Resolution #2771, setting forth the Commission's findings, determinations, and standard conditions of approval.

BACKGROUND INFORMATION:

LAFCO 2936 is a proposal to annex approximately 13.34 acres to the City of Upland initiated by property owner petition. The study area is located along the north side of Arrow Route, east and west of Central Avenue. It is contiguous on its eastern and southern edges to the current boundaries of the City, and it is within the Upland sphere of influence. The study area is a part of the area known as "College Heights" within the southwestern City of Upland sphere of influence. Maps of the area are included in Attachment #1 to this report.

Existing land uses within the study area consist of various commercial uses along the west side of Central Avenue (including adult businesses, sales offices and insurance/professional businesses), and along the east side of Central Avenue are what appear to be two single-family dwellings within an older grove of lemon trees and vacant land. Surrounding land uses include commercial and a restaurant to the north, flood control basin and commercial on the east, commercial and residential to the south, and industrial to the west.

The boundaries of the proposed annexation extend northward into the unincorporated territory along Arrow Route, bordered on two sides by the existing City limits. During early discussions between the applicant, LAFCO and City staff, the boundaries were drawn to include the territory between the proposed development (east side of Central Avenue) and existing city boundaries (westerly of Central Avenue). While the boundary proposed addresses the staff's original concern for creating a corridor of unincorporated territory, it remains less than ideal. The annexation would extend what the Commission has previously identified as a "sawtooth" pattern of annexations which does not support the efficient delivery of services. The City's response to this concern is that it has been working on an application which will address the whole of this larger unincorporated area, known as "College Heights", and would have included this area as a part of that application. However, the proponent's, Pifer-Bower Development, response was that they wished to proceed ahead of the City's larger application schedule and carved out this smaller area for consideration at this time. City staff will be present at the hearing and can provide a general timeline for this larger consideration. However, it is the staff's understanding that the resolution of initiation for this larger area was adopted at the March 24th City Council meeting.

The City has pre-zoned the study area Commercial Highway (CH) in conformance with the City General Plan. This land use designation will recognize the existing commercial uses along the western side of Central Avenue and allow for the proposed 156 unit apartment complex for the properties east of Central Avenue. The applicant notes that the primary impetus for their annexation application is that construction of the 156 unit complex requires water and sewer services from the City. The City has indicated that these services will be immediately available upon annexation through existing infrastructure within Central Avenue and Arrow Route. The City Council review of the Conditional Use Permit (CUP) for the 6.24 acres of the site east of Central Avenue was controversial and elicited a petition in opposition to the original 168 unit project. At the February 10, 2003, City Council meeting, a revised project was approved allowing for 156

apartment units, with 64 special conditions related to traffic, roadwork upgrade, streetlighting, and public safety measures to address the concerns of residents to the south. A copy of the City's conditions of approval is included within Resolution #5401 (copies of the resolution and the staff report from the City hearing are included in Attachment #3).

The City of Upland has certified the plan for the extension of municipal services, submitted by the applicant, as required by law, and that plan is attached to this report for Commission review (Attachment #2). Highlights of the plan include the following:

- Sewage collection services are readily available from infrastructure within Central Avenue, and such services are required for the new residential development proposed within the area. Many of the existing commercial uses are currently connected to the City's water and sewer system, and pay a premium rate for such service.
- Fire protection and emergency medical services are currently provided by County Service Area 38 and will be replaced by the City of Upland fire and emergency medical services. These fire services will be provided from Upland Fire Station #3 located approximately 1 mile away from the annexation site at 1350 N. Benson Avenue. Approval of this proposal will shift property tax revenues derived by CSA 38 and CSA 70 for this service within the annexation area to the City of Upland.

A letter from the County Fire Department reiterates their concern regarding the annexation of territory to cities due to the transfer of fire revenues. The loss relative to this specific annexation through transfer of CSA 38 and CSA 70 revenues is \$4,092, not considered to be a major shift. However, as noted above, the City of Upland is working toward the submission of an annexation application addressing the balance of the College Heights area. Upon submission of that application, the question of funding for CSA 38 in this portion of the Valley may reach the critical point and the effects on future service delivery will need to be addressed.

- Law enforcement responsibilities will shift from the County Sheriff's Department, which operates out of the Chino Hills substation (approximately 10 miles from the project area), to the City of Upland. The City indicates that its police department has sufficient personnel and equipment to immediately extend service to the study area.

- Library services will continue to be provided by the County of San Bernardino through a branch library located at the Upland City Civic Center.
- The City of Upland will provide street sweeping services within the annexation area on a bi-weekly basis.
- The only financial effect to landowners and residents of the area will be the requirement for a City Business License for commercial and industrial properties. The Plan indicates that the City anticipates placing the area within a to be formed Redevelopment District following completion of the annexation.

The City of Upland conducted the environmental review and pre-zoning studies for the area. These studies included the review of the project by the City's Airport Land Use Commission due to its proximity to Cable Airport. The environmental assessment has been reviewed by the Commission's environmental consultant, Tom Dodson and Associates. Mr. Dodson has determined that the City's documents are adequate for Commission use, and his response is attached to this staff report.

The necessary environmental actions to be taken by the Commission, as a responsible agency under CEQA, are as follows:

- a. Indicate that the Commission has reviewed and considered the environmental assessment and Negative Declaration certified by the City of Upland;
- b. Determine that these environmental documents are adequate for the Commission's use in making its decision related to the annexation;
- c. Indicate that the Commission does not intend to adopt alternatives or mitigation measures for this project. Mitigation measures were not required for this project by the City of Upland; therefore, no mitigation measures are the responsibility of this Commission; and,
- d. Direct the Clerk to file a Notice of Determination within five days, and find that no further Department of Fish and Game filing fees are required by the Commission's approval since the City, as lead agency, has paid those fees.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal:

1. State law indicates that an area containing 12 or more registered voters is "legally inhabited." The Registrar of Voters Office has determined that the study area is legally uninhabited, containing 1 registered voter.
2. The County Assessor has determined that the total assessed value of land and improvements within the study area is \$2,769,291 (\$1,105,183--land; \$1,664,108--improvements). Consent to the annexation has been received from landowners representing greater than 50% of the land value (\$658,086).
3. Commission review of this proposal has been advertised in the *Inland Valley Daily Bulletin* and *The Sun*, newspapers of general circulation within the study area.
4. LAFCO staff has provided individual notices to landowners and registered voters within and surrounding the annexation area in accordance with state law and adopted Commission policies. Opposition to the annexation has been received from the owner of the commercial properties along the western side of Central Avenue (Parcels 1007-311-09 through 1007-311-19) which represents \$365,189 in land value. A copy of the letter of opposition is included in Attachment #4.
5. The City of Upland has pre-zoned the study area Commercial Highway (CH) along with the approval of a Conditional Use Permit allowing for the development of 156 apartment units along the east side of Central Avenue. This zoning designation conforms to the adopted General Plan for the City of Upland and will take effect upon annexation. Pursuant to the provisions of Government Code Section 56375(e), this zoning designation shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
6. As a function of pre-zoning, the City of Upland acted as the lead agency for environmental review. The Commission's environmental consultant, Tom Dodson and Associates, has reviewed the City of Upland's Initial Study and Negative Declaration and determined that

they are adequate for the Commission's review of the proposed annexation as a responsible agency. A copy of the City's environmental assessment and Mr. Dodson's response are attached for the Commission's review. The necessary actions to be taken by the Commission, as a responsible agency under CEQA, are listed in the narrative section of this report.

7. The area in question is presently served by the following local agencies:

County of San Bernardino
Metropolitan Water District of Southern California
Inland Empire West Resource Conservation District
Inland Empire Utilities Agency (formerly known as the Chino Basin
Municipal Water District) and its Improvement District "C"
Chino Basin Water Conservation District
County Service Area SL-1 (streetlighting)
County Service Area 38 (fire protection)
County Service Area 70 (Countywide)

Detachment of CSA SL-1, CSA 38 and CSA 70 will automatically occur upon successful completion of this proposal. None of the other agencies are affected by this proposal.

8. The City of Upland has certified as to the adequacy of the plan for the extension of municipal services to the study area, as required by law. This plan is attached for Commission review, and indicates that the City can maintain and improve the level and range of services currently available in the area.
9. This proposal is consistent with state law and conforms to adopted Commission policies which promote the inclusion of developing properties within a municipal service provider.
10. The developing portion of the study area can benefit from the availability and extension of municipal services from the City of Upland. The currently developed properties have benefited from receipt of City water service and many have benefited from the receipt of City sewer service.
11. The County of San Bernardino and the City of Upland have successfully negotiated a transfer of property tax revenues that will be

implemented upon completion of this annexation. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.

12. Maps and legal descriptions are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

CONCLUSION:

While the boundaries presented by the application are less than ideal, the staff, nonetheless, recommends approval of the annexation. This recommendation is based upon the service needs of the anticipated development and the longstanding delivery of service by the City of Upland to developed parcels within the area. The extension of the full range of services that will result from approval of this proposal are necessary and timely for the anticipated development within the easterly portion of the study area, and the availability of municipal services (primarily water and sewer service) has previously benefited the balance of the annexation site. For these reasons, and those identified elsewhere in this report, the staff recommends approval of LAFCO #2936.

Attachments:

1. Maps of Annexation Area
2. Application and Plan for Services
3. City Position on Annexation
4. County Fire and Landowner Expressions of Concern
5. Tom Dodson and Associates Response and City Environmental Documentation
6. Draft Resolution #2771